PREVAILED   Roll Call No. _____

FAILED   Ayes _____

WITHDRAWN   Noes _____

RULED OUT OF ORDER

HOUSE MOTION ____

MR. SPEAKER:

I move that Engrossed Senate Bill 357 be amended to read as follows:

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1        Page 19, between lines 1 and 2, begin a new paragraph and insert:
2        "SECTION 11. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
3     AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4     JANUARY 1, 1999 (RETROACTIVE)]:
5        Chapter 20. Business Inventory Credit
6        Sec. 1. As used in this chapter, "assessed value" means the
7     assessed value of inventory determined under IC 6-1.1-3.
8        Sec. 2. As used in this chapter, "inventory" has the meaning set
9     forth in IC 6-1.1-3-11.
10       Sec. 3. As used in this chapter, "pass through entity" means:
11         (1) a corporation that is exempt from the adjusted gross
12         income tax under IC 6-3-2-2.8(2);
13         (2) a partnership;
14         (3) a limited liability company; or
15         (4) a limited liability partnership.
16       Sec. 4. As used in this chapter, "state tax liability" means a
17    taxpayer's total tax liability that is incurred under:
18         (1) IC 6-2.1 (gross income tax);
19         (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
20         (3) IC 6-3-8 (supplemental net income tax);
21         (4) IC 6-5-10 (bank tax);
22         (5) IC 6-5-11 (savings and loan association tax);
23         (6) IC 6-5.5 (financial institutions tax); and
24         (7) IC 27-1-18-2 (insurance premiums tax);
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1   **as computed after the application of the credits that under**
2   **IC 6-3.1-1-2 are to be applied before the credit provided by this**
3   **chapter.**
4   **Sec. 5. As used in this chapter, "taxpayer" means an individual**
5   **or entity that has state tax liability.**
6   **Sec. 6. (a) A taxpayer is entitled to a credit against the**
7   **taxpayer's state tax liability for a taxable year for the ad valorem**
8   **property taxes paid by the taxpayer in the taxable year on**
9   **inventory.**
10   **(b) The amount of the credit is equal to the lesser of:**
11   **(1) the ad valorem property taxes paid on inventory in the**
12   **taxable year; or**
13   **(2) an amount equal to the ad valorem property taxes paid on**
14   **inventory, as identified by the taxpayer, with a property tax**
15   **value not exceeding the following:**
16   **(F) For a taxable year beginning in 1999, two hundred fifty**
17   **thousand dollars ($250,000).**
18   **(G) For a taxable year beginning in 2000, five hundred**
19   **thousand dollars ($500,000).**
20   **(H) For a taxable year beginning in 2001, seven hundred**
21   **fifty thousand dollars ($750,000).**
22   **(J) For a taxable year beginning after 2001, the property**
23   **tax value on which the full amount of the ad valorem**
24   **property taxes paid on inventory in the taxable year was**
25   **imposed.**
26   **For purposes of this section, property tax value is one third (1/3) of**
27   **the abstract true tax value.**
28   **Sec. 7. (a) If the amount determined under section 6(b) of this**
29   **chapter for a taxpayer in a taxable year exceeds the taxpayer's**
30   **state tax liability for that taxable year, the taxpayer may carry the**
31   **excess over to the following taxable years. The amount of the credit**
32   **carryover from a taxable year shall be reduced to the extent that**
33   **the carryover is used by the taxpayer to obtain a credit under this**
34   **chapter for any subsequent taxable year. A taxpayer is not entitled**
35   **to a carryback.**
36   **(b) A taxpayer is entitled to a refund of any unused credit.**
37   **Sec. 8. If a pass through entity does not have state income tax**
38   **liability against which the tax credit may be applied, a shareholder**
39   **or partner of the pass through entity is entitled to a tax credit equal**
40   **to:**
41   **(1) the tax credit determined for the pass through entity for**
42   **the taxable year; multiplied by**
43   **(2) the percentage of the pass through entity's distributive**
44   **income to which the shareholder or partner is entitled.**
45   **Sec. 9. To receive the credit provided by this chapter, a taxpayer**
46   **must claim the credit on the taxpayer's state tax return in the**

1   **manner prescribed by the department. The taxpayer must submit**
2   **to the department proof of payment of an ad valorem property tax**
3   **and all information that the department determines is necessary**
4   **for the calculation of the credit provided by this chapter.**".
5   Page 19, between lines 38 and 39, begin a new paragraph and insert:
6   "SECTION 15. [EFFECTIVE JANUARY 1, 1999
7   (RETROACTIVE)]: **IC 6-3.1-20, as added by this act, applies only**
8   **to taxable years beginning after December 31, 1998.**".
9   Renumber all SECTIONS consecutively.
    (Reference is to ESB 357 as printed April 6, 1999.)

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Representative Kruse